Key Payroll and Compliance Changes for Financial Year 2026-2027

The 2026–27 financial year introduces several important payroll, tax, and superannuation changes that employers and payroll teams need to be aware of.

Payday Super

From 1 July 2026, employers must pay Superannuation Guarantee (SG) contributions at the same time employees are paid, instead of making quarterly payments.

For most employees, there will be no change to the amount of super you receive. Qualifying Earnings is simply the new definition used to calculate super and continues to include your ordinary wages, paid leave, shift penalties and most allowances.

PAYG Tax Cuts

From 1 July 2026, the resident tax rate for income between **$18,201** and **$45,000** reduces from **16%** to **15%**. Payroll systems will need updated tax scales to ensure the correct amount of PAYG tax is withheld.

STP Reporting Changes

From 1 July 2026, employers must report:

- Qualifying Earnings (QE)
- Superannuation liability amounts

through Single Touch Payroll (STP).

OTE reporting remains optional during 2026–27 but will no longer be required from 1 July 2027.

Your payroll reporting will include additional information about your super contributions.

ETP and Redundancy Limits

From 1 July 2026:

- The Employment Termination Payment (ETP) cap increases to $270,000.
- The tax-free genuine redundancy and early retirement limit increases to:
  - $13,598 base amount; plus
  - $6,801 for each completed year of service.

Maximum Super Contribution Base

From 1 July 2026, the Maximum Super Contribution Base changes from a quarterly limit to an annual limit of **$270,830**.

This generally only affects higher income earners.

Medicare Levy Thresholds

The Medicare levy low-income thresholds increase from 1 July 2026:

Category	2025–26	2026–27
Singles	$27,222	$28,011
Families	$45,907	$47,238

These changes may reduce the Medicare levy paid by eligible low-income earners.

National Minimum Wage

For 2026–27, the National Minimum Wage increases to:

- **$26.44 per hour**
- **$1,004.90 per week**

This also affects payroll-related calculations such as Paid Parental Leave.

Paid Parental Leave

From 1 July 2026:

- The Paid Parental Leave rate increases to **$1,004.90** per week.
- Eligible families can access up to:
  - **26 weeks (130 days)** for one parent; and
  - **20 days** for the partner.

Income Statements Are Now Tax Ready

Your 2025–2026 Income Statement is now available in myGov and has been marked Tax Ready.

This means your payroll information has been finalised and reported to the Australian Taxation Office (ATO).

Employees can now access their Income Statement through myGov and, if they wish, proceed with lodging their tax return.

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